

DEPARTMENT OF THE NAVY
Implementing Guidance
FMR Volume 14 and DODD 7200.1

1. Roster of Individuals Qualified to Conduct Antideficiency Act (ADA) Violation Investigations. The Department of the Navy (DON) is required to establish and maintain a roster of individuals qualified to conduct ADA investigations. To comply with this mandate each echelon 1 command (equivalent major commands for the Marine Corps) must identify at least two individuals at their level, and, at least two additional individuals at each of their echelon 2 commands (equivalent commands for the Marine Corps) as nominees for the DON Antideficiency Act investigator roster. Additionally, each of the following Secretariat staff offices will identify at least two nominees for this roster: Office of the Auditor General, Assistant for Administration, Office of the Assistant Secretary of the Navy (Financial Management & Comptroller), and Office of the Assistant Secretary of the Navy (Research, Development and Acquisition). Individuals nominated for the roster may be civilian or military, and there is no specific grade or rank limitation. Each nominee should meet the requirements prescribed in chapter 4, of reference (a). However, due to the limited number of ADA investigations conducted over recent years, the DON may experience difficulty in identifying sufficient numbers of individuals with prior experience in conducting investigations of this nature. Therefore, candidates identified for placement on the roster may include individuals with sufficient experience in fiscal management who have appropriate knowledge of the Antideficiency Act and possess skills in conducting investigations. The roster must include specific information for each individual as prescribed by chapter 8, paragraph 5, of reference (a).

a. The DON's ADA roster must be validated quarterly. Therefore, each echelon 1 command (equivalent major commands for the Marine Corps) and appropriate Secretariat staff office must review and validate its input to the roster to ensure listed investigators continue to meet the qualifications required by reference (a), and to ensure that the population of the roster adequately supports the number of anticipated ADA investigations.

b. The initial list of nominees as ADA investigators must be submitted by each echelon 1 command (equivalent commands for the Marine Corps) and appropriate Secretariat offices to reach the ASN(FM&C) not later than 31 July 1996. Quarterly updates must be submitted not later than the last day of each fiscal quarter starting with the quarter ending 30 September 1996.

2. Qualification/Training Requirement. Individuals placed on the initial roster will be considered qualified to conduct investigations if they meet the requirements of chapter 4, paragraph 5, of reference (a). An auditor assigned by the Naval Audit Service to participate on an ADA investigation team is considered a qualified ADA investigator if he/she has an appropriate background in fiscal matters per chapter 4, paragraph D, of reference (a). The Defense Business Management University (DBMU) is developing an automated Antideficiency Act/Fiscal Law training course (CD ROM package) which is currently scheduled for completion by mid-1997. Candidates who successfully complete the training provided by DBMU will be certified as trained ADA investigators for a period of five years. Until the DBMU course is made available, the individuals listed on the initial roster will be considered qualified to conduct investigations.

3. Assignment of Investigators. To meet the requirements of chapter 4, paragraph D, of reference (a), DON echelon 1 and 2 commands (equivalent commands for the Marine Corps) and designated Secretariat staff offices (listed in paragraph 1) will ensure that appointed ADA investigators of preliminary reviews and/or formal investigators: (a) are selected from outside the organization being investigated; (b) have no real or apparent conflict of interest in the outcome of the review or investigation; c) are afforded complete independence in conducting the investigation, and d) have the opportunity to consult legal counsel at all times. Preliminary reviews may be conducted by one appointed investigator or by a team of investigators. In all but the most straightforward of cases, each formal investigation will be conducted by a team of

investigators to include, as a minimum, two members from the DON roster of trained investigators. The team will have a designated team leader, and may be augmented with additional subject matter experts from functional areas, depending on the complexity of the investigation. For example, a member from the acquisition community may be included on the team when the potential violation reported is within a major acquisition program. Additional members of the Naval Audit Service may be included on the investigation team as needed. Exceptions to using the team approach in conducting formal investigations will be granted by the ASN(FM&C) on a case-by-case basis.

4. Monthly Status Report. As contained in reference (a), ADA monthly status reports must be submitted by echelon 1 commands (equivalent commands for the Marine Corps) and appropriate Secretariat staff offices listed in paragraph (1), to reach the office of the ASN(FM&C), Office of Financial Operations, FMO-3, not later than the last business day of each month since the summary status report for the DON is due to the USD(C) the fifth business day of the subsequent month. The monthly ADA status report must be submitted in the format prescribed by paragraph B, chapter 6 of reference (a). The transmittal letter must include a detailed explanation of any difficulties encountered during the ADA investigation, and a full description of any slipped target dates associated with the investigation and/or preparation of the final report. As required by reference (a) all ongoing investigations of potential violations will continue to be reported monthly until the summary reports of violation are approved by the USD(C). A copy of the DON report to the USD(C) will be provided to each submitting office for information and retention.

5. Annual Report Of Evaluation. The Secretary of the Navy through the ASN(FM&C) must prepare an annual evaluation report on the system of administrative funds control processes as well as the processing of violations of the ADA. The annual evaluation

will be prepared in accordance with the requirements prescribed in paragraph 10, chapter 1 of reference (a). Each echelon 1 and designated Secretariat staff office listed in paragraph (1) will consolidate and submit their subordinate organizations annual reports for submission to the ASN(FM&C). The initial annual evaluation must be submitted to reach the ASN(FM&C) by 15 January 1997, with subsequent annual evaluations due 15 January.

REPORTING PROCESS TIMELINE

The total process from date of discovery of a potential violation of the Antideficiency Act (ADA) to submission of the final summary report of apparent violation to the USD(C) will not exceed nine months. Echelon 1 organization are responsible for ensuring timely execution of reviews and investigations of reported potential violations of the ADA.

Reviews and investigations of potential violations must be fully coordinated within the official organizational chain of command, as well as the fiscal chain of command. Program Executive Officers (PEOS) and Direct Reporting Program Managers (DRPMS) must report through the ASN(RD&A) and coordinate concurrently with the financial chain of command. Legal review is required at each level of coordination. Formats to be used in the preparation of reports of violation of the ADA are included as attachments: (a), (b), (c) and (d).

The milestones below include FMR and DON prescribed timeframes (identified by an asterisk(*)) and additional DON recommended timeframes for use by managers involved in executing this process. If actual execution exceeds the recommended timeframes, interim reports (monthly status reports) by Echelon 1 organizations should clearly indicate why, and what action is being taken to ensure mandatory reporting dates will be met. Date of discovery is the start date.

Discovery

As soon as possible, but NLT 10 working days. Discovery of a potential violation should be reported to the local command comptroller and commander as soon as possible following discovery.

Preliminary Review

***NLT 10 Working Days.** The commander of the command in which the potential violation is discovered must appoint an investigator in writing to conduct a preliminary review to determine if an apparent violation has occurred. Chapter 3, reference (a) includes specific procedures associated with conducting preliminary reviews. The ASN(FM&C), Office of Financial Operations (FMO-3) must receive a copy of the letter of appointment within three working days of assignment of the investigator. The letter of appointment may be faxed to DSN 327-0875, or commercial 703-607-2714.

***90 Calendar Days.** Commanders must ensure that the ASN(FM&C), Office of Financial Operations, FMO-3, has received a Report of Preliminary Review, or a Report of No violation if the preliminary review concludes there is no violation. Chapter 7 of reference (a) addresses Findings of No Violation. The preliminary report must be signed and dated by the investigating officer.

Formal Investigation

***15 Calendar Days** following ASN(FM&C) approval of Preliminary Report. A formal investigation must be initiated if an apparent violation has been identified by the preliminary review. A team of investigators must be appointed in writing by the appropriate echelon 1 command appointing official. See chapter 5, of reference (a) for a checklist for appointing and investigating officers. Reviews of submitted Preliminary Review Reports should be completed by the Office of the ASN(FM&C), Office of Financial Operations, FMO-3, not later than 10 working days from receipt.

190 Calendar Days. Appointed ADA investigator must submit a preliminary report of investigation to the appropriate command disciplining official.

210 Calendar Days. Appointed investigators should complete their investigative report of violation, to include recommended corrective actions, and submit these findings to the appointing official (echelon 1 organization).

***240 Calendar Days.** The formal investigation must be completed and received by the Office of the ASN(FM&C), Office of Financial Operations, FMO-3.

***9 months.** Investigation completed and summary report submitted by the ASN(FM&C) to the Under Secretary of Defense, Comptroller. Chapter 7, reference (a) provides a checklist for final summary reports.

***12 Months.** Department of Defense submits summary report to the President of the United States, Director of the Office of Management and Budget, and the leaders of the Houses of Congress.

DEPARTMENT OF THE NAVY
PRELIMINARY REPORT OF VIOLATION
ADMINISTRATIVE CONTROL OF APPROPRIATION REGULATIONS
(REPORT CONTROL SYMBOL DD-COMP(AR)170) (FY/___)

1. **Authorization Identification**
Include specific appropriation, eg. OPN FY 1987, Treasury symbol and subhead
2. **Authority Document**
What type of document was the obligation authority transmitted on? Include identifying information such as the date and appropriate document symbols.
3. **Authorization Grantor**
List the official name, title, beginning and ending of tenure, and the official business address for the grantor.
4. **Authorization Holder**
List the official name, title, beginning and ending of tenure, and the official business address for the authorization holder.
5. **Detection of Violation**
Explain how the violation was detected to include specific dates, documents, or other supporting information and/or circumstances.
6. **Financial Data**
Type of violation : 31 USC 1517(a), 1341, etc. (see FMR, Vol. 14, Chapter 2, Encl. 2-1)
Total funds authorized:
Charges in excess of authorization:
7. **Statement of Circumstances**
A complete and concise statement of the circumstance which lead to the violation is required. (See FMR, Vol. 14, Chapter 7, page 7-1-3).
8. **Signature, Title, and Command of the Appointed Investigators**
Each report must be signed and dated by the assigned ADA investigators. Identification of the investigator's permanent command and a current telephone number is required.
9. **Attach Supporting Documentation**
Documentation supporting the conclusion of the ADA team should be cataloged and submitted with the report. Such documents may include statements of witnesses, invoices, obligations documents, accounting records, contracts, funding documents, etc.

DEPARTMENT OF THE NAVY
INVESTIGATIVE REPORT OF VIOLATION
ADMINISTRATIVE CONTROL OF APPROPRIATION REGULATIONS
(REPORT CONTROL SYMBOL DD-COMP(AR)170) (FY/___)

1. **Authorization Identification**
Include specific appropriation, eg. OPN FY 1987, Treasury symbol and subhead
2. **Authority Document**
What type of document was the obligation authority transmitted on? Include identifying information such as the date and appropriate documents symbols.
3. **Authorization Grantor**
List the official name, title, beginning and ending of tenure, and the official business address for the grantor.
4. **Authorization Holder**
List the official name, title, beginning and ending of tenure, and the official business address for the authorization holder.
5. **Detection of Violation**
Explain how the violation was detected to include specific dates, documents, or other supporting information and/or circumstances.
6. **Financial Data**
Type of violation : 31 USC 1517(a), 1341, etc. (see FMR, Vol. 14, Chapter 2, encl. 2-1)
Total funds authorized:
Charges in excess of authorization:
7. **Statement of Circumstances**
A complete and concise statement of the circumstance which lead to the violation is required. (See FMR, Vol. 14, Chapter 7, page 7-1-3).
8. **Elimination of Status of Violation**
What actions were or are planned to be taken to ensure that a like violation does not occur again? Be specific to include dates and times these actions will occur.
9. **Evidence of Willful Intent to Violate**
A statement that either the violation was knowingly and willfully committed or that the violation was not knowingly or willfully incurred must be included.

10. Responsibility for Violation

Name and rank of the officer(s) responsible for the violation. Name, grade, and civilian job series number--required by the Office of Management and Budget--of the civilian(s) responsible for the violation.

11. Statement of Responsible Officials

Attach a statement given by those individuals identified in item #10 above.

12. Disciplinary Action

Provide a written statement from the disciplining officer(s) justifying the disciplinary action, or absence thereof, as required by Section B, Chapter 9 of Volume 14, "Administrative Control of Funds and Antideficiency Act Violations", of the DOD Financial Management Regulation (DOD 7000.14-R). The individuals responsible for determining disciplinary action should attach written statements to the report acknowledging that: 1) a violation is a serious matter; 2) disciplinary action taken/to be taken is appropriate to the causes and circumstances determined during the investigation; 3) the Department must report the violation to the Congress and the President; and 4) the disciplinary action taken/to be take is commensurate with the severity of the violation, with full justification of extenuating circumstances.

13. Procedural Action Taken

Provide a concise description of specific action(s) taken to correct the violation and dates on which the actions were taken or planned. Include any procedural changes or new safeguards established to prevent recurrence of the same type of violation. Describe actions in detail so that adequacy of the corrective action(s) may be evaluated.

14. Evaluation of Authorization Holder's Responsibility

Provide a statement which evaluates the authorization holder's performance in connection with the execution of his responsibilities associated with funds administration and management.

15. Signature, Title, and Command of the Appointed Investigators.

Each report must be signed and dated by the assigned ADA investigators. Identification of the investigator's permanent command and a current telephone number is required.

16. Attach Supporting Documentation.

Documentation supporting the conclusion of the ADA team should be cataloged and submitted with the report. Such documents may include statements of witnesses, invoices, obligations documents, accounting records, contracts, funding documents, etc.

DEPARTMENT OF THE NAVY
SUMMARY REPORT OF VIOLATION
ADMINISTRATIVE CONTROL
OF APPROPRIATION REGULATIONS
(REPORT CONTROL SYMBOL DD-COMP(AR)170) (FY/___)

1. **Authorization Identification**
Include specific appropriation, eg. OPN FY 1987, Treasury symbol and subhead
2. **Authority Document**
What type of document was the obligation authority transmitted on? Include identifying information such as the date and appropriate documents symbols.
3. **Authorization Grantor**
List the official name, title, beginning and ending of tenure, and the official business address for the grantor.
4. **Authorization Holder**
List the official name, title, beginning and ending of tenure, and the official business address for the authorization holder.
5. **Detection of Violation**
Explain how the violation was detected to include specific dates, documents, or other supporting information and/or circumstances.
6. **Financial Data**
Type of violation : 31 USC 1517(a), 1341, etc. (see FMR, Vol. 14, Chapter 2, encl. 2-1)
Total funds authorized:
Charges in excess of authorization:
7. **Statement of Circumstances**
A complete and concise statement of the circumstance which lead to the violation is required. (See FMR, Vol. 14, Chapter 7, page 7-1-3).
8. **Elimination of Status of Violation**
What actions were or are planned to be taken to ensure that a like violation does not occur again? Be specific to include dates and times these actions will occur.
9. **Evidence of Willful Intent to Violate**
A statement that either the violation was knowingly and willfully committed or that the violation was not knowingly or willfully incurred must be included.

10. Responsibility for Violation

Name and rank of the officer(s) responsible for the violation. Name, grade, and civilian job series number--required by the Office of Management and Budget--of the civilian(s) responsible for the violation.

11. Statement of Responsible Officials

Attach a statement given by those individuals identified in item #10 above.

12. Disciplinary Action

Provide a written statement from the disciplining officer(s) justifying the disciplinary action, or absence thereof, as required by Section B, Chapter 9 of Volume 14, "Administrative Control of Funds and Antideficiency Act Violations", of the DOD Financial Management Regulation (DOD 7000.14-R). The individuals responsible for determining disciplinary action should attach written statements to the report acknowledging that: 1) a violation is a serious matter; 2) disciplinary action taken/to be taken is appropriate to the causes and circumstances determined during the investigation; 3) the Department must report the violation to the Congress and the President; and 4) the disciplinary action taken/to be take is commensurate with the severity of the violation, with full justification of extenuating circumstances.

13. Procedural Action Taken

Provide a concise description of specific action(s) taken to correct the violation and dates on which the actions were taken or planned. Include any procedural changes or new safeguards established to prevent recurrence of the same type of violation. Describe actions in detail so that adequacy of the corrective action(s) may be evaluated.

14. Evaluation of Authorization Holder's Responsibility

Provide a statement which evaluates the authorization holder's performance in connection with the execution of his responsibilities associated with funds administration and management.

15. Attach Supporting Documentation.

Documentation supporting the conclusion of the ADA team should be cataloged and submitted with the report. Such documents may include statements of witnesses, invoices, obligations documents, accounting records, contracts, funding documents, etc.

DEPARTMENT OF THE NAVY
REPORT OF NO VIOLATION
ADMINISTRATIVE CONTROL
OF APPROPRIATION REGULATIONS
(REPORT CONTROL SYMBOL DD-COMP(AR)170) (FY/___)

1. **Authorization Identification**
Include specific appropriation, eg. OPN FY 1987, Treasury symbol and subhead
2. **Authority Document**
What type of document was the obligation authority transmitted on? Include identifying information such as the date and appropriate documents symbols.
3. **Authorization Grantor**
List the official name, title, beginning and ending of tenure, and the official business address for the grantor.
4. **Authorization Holder**
List the official name, title, beginning and ending of tenure, and the official business address for the authorization holder.
5. **Detection of Violation**
Explain how the potential violation was detected to include specific dates, documents, or other supporting information and/or circumstances.
6. **Financial Data**
Type of violation : 31 USC 1517(a), 1341, etc. (see FMR, Vol. 14, Chapter 2, encl. 2-1)
Total funds authorized:
Charges in excess of authorization:
7. **Statement of Circumstances**
A complete and concise statement of the circumstance which lead to the indication that a potential violation has occurred. Since this is a Report of No Violation the statement must include reasonable facts which support the finding that a violation of the ADA did not occur. (See FMR, Vol. 14, Chapter 7, page 7-1-3).

8. **Attach Supporting Documentation.**

Documentation supporting the conclusion of the ADA team should be cataloged and submitted with the report. Such documents may include statements of witnesses, invoices, obligations documents, accounting records, contracts, funding documents, etc.

9. **Signature, Title, and Command of the Appointed Investigator(s).**

Each report must be signed and dated by the assigned ADA investigators. Identification of the investigator's permanent command and a current telephone number is required.